



# POLICY OF CROWDFUNDING

## RECOMMENDATIONS OF CGI TO NATIONAL COUNCILS ON POLICY IN RELATION TO e.CROWDFUNDING BY INTERNET

### 1. INTRODUCTION

e.CROWDFUNDING for the purpose of this memorandum is the process of inviting large numbers of donors to fund projects through small donations using a dedicated website managed by an independent agency.

e.CROWDFUNDING offers a potential new source of project financing for the SSVP in many countries but also brings with it reputational and other risks which need to be recognized and controlled.

This memorandum sets out some draft recommendations by the Council General International (CGI) as to the policy to be followed by the SSVP in any country wishing to engage in e.CROWDFUNDING. These recommendations will be considered at the next general meeting of the CGI in Oporto in June 2019.

### 2. SPECIFIC POLICY FOR EACH COUNTRY TO BE DECIDED BY NATIONAL COUNCILS

It is strongly recommended that every National Council should agree a policy on e.CROWDFUNDING and that no Council/ Conference should engage in any CROWDFUNDING activity unless as authorized by that national policy.

It is hoped that the recommendations in this memorandum will assist National Councils formulate their policy.

### 3. SELECT A REPUTABLE CROWDFUNDING PLATFORM.

A CROWDFUNDING platform is a specialized website which works as an on-line marketplace where projects can be described and support sought from potential donors.

It is essential that National Councils select a reputable platform which will:

- provide a dedicated page on its website describing the specific project
- promote the project through its Facebook page and other social media
- ensure a secure way of collecting and accounting for the donations made
- charge a reasonable fee for its services (in Europe reputable platforms like GoFundMe and JustGiving charge about 2.9% of funds raised, for example)

### 4. CORE ELEMENTS OF A CROWDFUNDING POLICY

#### 4.1. Ethical Protocols

It is appreciated that National Councils will wish to include in their policy some elements to meet local circumstances, but it is recommended by the CGI that the following should be mandatory:

- only a CROWDFUNDING platform provider on the National Councils approved list of providers should be used
- no appeal should be launched by a Council/ Conference without the prior approval of the National Council (or if the National Council so decides, the prior approval of the relevant Diocesan/Central Council).

- only specific projects approved by the National Council should be considered (generally these will be of a capital / developmental / emergency nature - not day to day needs). Each National Council in consultation with its Diocesan/ Central Councils is invited to draw up guidelines for priority projects.

#### 4.2. Administrative Protocols

The CGI suggests that each National Council appoint a small Committee to manage all CROWDFUNDING initiatives and be responsible for transparency and accountability

- The responsibilities of management would include ensuring:
- acknowledgement of donations
- maintenance of proper records
- regular reports on total funds collected
- custody of funds collected
- use of funds only for stated purpose
- due diligence of projects undertaken on behalf of donors
- project progress reports
- adherence to applicable legal and charity fundraising protocols in each Country.

#### ROLE OF CGI

Because of the provisions of French law, the CGI itself cannot avail of e.CROWDFUNDING.

Its role is primarily to facilitate a debate to ensure that proper policies are followed by National Councils.

Through its Committee for International Aid and Development (CIAD), CGI could also have a role in proposing projects that countries might adopt as their CROWDFUNDING project and also possibly in disbursing funds (particularly for emergency aid / development) collected through e.CROWDFUNDING by countries.

This whole area of CIADs relationship with e.CROWDFUNDING and ensuring no competition with other SSVP fundraising is open for discussion.

#### 5. SUMMARY

It is clear that e.CROWDFUNDING offers many opportunities for the SSVP, particularly to enable us to reach a donor population outside our normal base. At the same time if not properly managed it presents very real reputational risks. The SSVP is a “brand” respected throughout the world and we must protect that. This is why the policy recommendations in this memorandum and the role proposed for National Councils may seem rather restrictive.

But it is hoped that this will stimulate debate at the next general meeting of the CGI in June 2019 in Oporto and that we will reach agreement on a way to avail of e.CROWDFUNDING that is practicable for National Councils and that protects the SSVP from the risks involved.

Approved at SP and IEC sessions  
Oporto, June 2019.